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National Energy Marketers Association

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of	)	
Reallocation of the 216-220 MHz,	)	
1390-1395 MHz, 1427-1429 MHz,	)	ET Docket. No. 00-221
1429-1432 MHz, 1432-1435 MHz,	)	RM-9854
1670-1675 MHz, and 2385-2390 MHz	)	
Government Transfer Bands	)	

COMMENTS OF THE NATIONAL ENERGY MARKETERS ASSOCIATION

The National Energy Marketers Association ("NEM") files these comments in the above-referenced proceeding urging the Federal Communications Commission ("Commission") to allocate the 1427-1432 MHz band for telemetry operations used by utilities and other energy suppliers, including automatic meter reading ("AMR") in accordance with Option 2.

The National Energy Marketers Association (NEM) is a national, non-profit trade association representing both wholesale and retail marketers of energy and energy-related products, services, information and technologies throughout the United States. NEM's membership includes: small regional marketers, large international wholesale and retail energy suppliers, billing and metering firms, Internet energy providers, energy-related software developers, risk managers, energy brokerage firms, and information technology providers. Our membership has both affiliated and unaffiliated companies that have come together under the NEM auspices to forge consensus and to help eliminate as many issues as possible that would delay competition.

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On October 28, 1992, President George Bush signed into law Public Law 102-556. Section 401 of the Act directed the Departments of Energy and Commerce to develop a proposal to demonstrate the ability of new innovative communications equipment and services to conserve energy and protect public health and safety. As a result of the findings by the Departments of Energy and Commerce, the Commission authorized the use of the 1427-1432 MHz frequency bands for AMR service on a nationwide basis. The Commission in a decision dated June 8, 2000, cast doubt on the future availability of spectrum for AMR. The latter is an important technology that improves control of the energy transmission and distribution system, speeds the transfer of critical operating data throughout utility distribution systems, and reduces the vulnerability of generation/distribution systems to instabilities.

Recently, however, the FCC received several other proposals requesting allocation of these same frequencies for various applications, including for land mobile communications and low earth orbiting small satellites.

In response to these proposals, the FCC issued on November 20, 2000, a notice of proposed rulemaking with several options for allocating the 1.4 GHz band. NEM strongly supports Option 2, which, in relevant part, would allocate the 1427-1429 MHz on a primary basis exclusively for telemetry operations used by utilities and energy suppliers and permit such telemetry operations to share the 1429-1432 MHz on a co-primary basis with the wireless medical telemetry service. NEM strongly opposes Option 1 that would offer private radio users access to 1390-92 MHz on a paired basis with 1427-29 MHz for general purpose fixed and mobile communications. This option is simply incompatible with Option 2 because it would threaten interference with existing AMR installations and preclude continued usage of 1427-29 MHz for AMR.

NEM strongly supports Option 2 because it is the only option that retains the complete spectrum allocation in which AMR is currently operating. Various companies have invested more than $250 million in the development and deployment of fixed meter-reading systems operating in the 1427-1432 MHz band. An additional $650 million has been spent in making utility meters capable of being upgraded to a fixed AMR network while reading them with handheld or mobile devices. Nationwide there are more than 20,000 network nodes operating in this band and upgradeable handheld and mobile devices that read in excess of 16 million AMR units for more than 650 electric, gas, and water utilities. Option 2 will preserve the ability of these networks to be upgraded to full fixed network capability.

The many public benefits provided by AMR now and in the future justify the specific allocation provided by Option 2. For example:

- AMR increases productivity and efficiency, making it possible for a meter reader to increase by a factor of ten, twenty, or more the number of meters that can be read in an eight-hour shift; obviates the need for estimated bills and multiple trips to customer homes; and improves the ability to detect meter tampering and theft of services.
- AMR can establish a direct link between a supplier and meters on its customers premises, enabling the supplier to offer its customers a variety of strategies to reduce peak demand and shift usage to off-peak hours, as well as encourage conservation by providing customers with detailed, real-time price and consumption data.
- AMR is a necessity in a deregulated energy environment in which separate entities may be competing in the generation, transmission, wholesaling, and distribution to end users of energy. Reconciling the multiple, overlapping transactions involving these service providers requires consumption information on a daily basis, and in some cases more frequently.
- Independent studies and data confirm the importance of and growth potential for AMR/utility telemetry products and services. As of the end of 1999, only two percent of the more than 270 million meters in the United States had been telemeterized.

The stability of spectrum available for AMR is the foundation for new investments to upgrade the Nation's metering system. Investments made to upgrade existing meters and to install advanced meters will permit more accurate forecasting to meet customer demand. Statistical load profiles, which can vary significantly from actual customer usage, are currently used to forecast energy needs. Advanced meters will permit suppliers to more accurately match supplies to meet demand and to avoid wasteful imbalance, standby, storage, injection and withdrawal costs. In this way, consumers can save billions of dollars in unnecessary costs.

The timely, accurate dissemination of critical energy usage information is vital to the efficient management of both energy supply and demand. Historically, the installation, maintenance and reading of energy meters have been part of a utility's responsibility. Increasingly, however, metering has become a competitive market, particularly for larger commercial and industrial users. However, for the true benefits of competition in energy markets to be enjoyed by all consumers of energy, investments to upgrade existing meters are long overdue and must be made. Clearly, the stability and availability of dedicated spectrum will play a large role in decisions to invest.

NEM finds that the challenge in reading meters from remote locations is not one of technology but rather the ability to do so in a cost-effective manner. The use of spectrum to read meters is well suited to support real time pricing, load control and demand side management. In contrast, hardwired connections to meters are costly to install and incur line congestion.

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We are currently witnessing "rolling blackouts" in California where utilities can only shut off power completely to large areas to prevent catastrophic damage. There currently is no ability to provide essential services while removing nonessential loads. AMR allows energy suppliers to monitor and control distribution networks, even certain loads at the customer level, and could allow nonessential loads to be shed during emergency situations, keeping basic levels of service available without overloading emergency and remaining capacity. The benefits of AMR are increasing and will continue to do so in the future ***provided the Commission ensures that stable and dedicated spectrum is available.***

In conclusion, NEM urges the Commission to allocate the 1427-1432 MHz band as provided in Option 2 of the November 20th notice of proposed rulemaking.

Respectfully submitted,

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